



# State of North Carolina

## Office of the State Controller

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**STATE CONTROLLER**

Release: IMMEDIATE  
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Date: Feb. 23, 2009

### **OFFICE OF STATE CONTROLLER REPORT OUTLINES DECLINES IN GENERAL FUND REVENUES**

*Monthly OSC Report Tracks State's Fiscal Health*

**RALEIGH** -- State Controller David McCoy said General Fund tax and non-tax revenues fell \$286 million, or 14.3 percent, in January compared to the same period last year. Of this amount, personal income tax collections reflected a decline of \$284 million, or 21.4 percent. This information is contained in the most recent monthly report on General Fund revenues compiled by the Office of State Controller.

"Revenue growth is slowing dramatically," McCoy said. "This decline was expected, and the state's financial plan was adjusted, but we are continuing to feel the strain of budget pressures. The federal economic stimulus package will ease some of our concerns, but North Carolina must work to align spending and revenue. We must work to maintain the structural balance in the state budget for North Carolina to continue its long-term fiscal stability."

Other findings in the January report include:

- Investment earnings impacted by lower cash availability and a lower rate of return declined by \$16 million, or 88.8 percent for January 2009.
- General Fund appropriation spending is down. General Fund appropriation spending, including transfers, was \$23 million, or 1.7 percent lower than for January 2008. Education and health and human services spending combined was \$59 million, or 5.6 percent higher in January 2009. All other General Fund appropriation spending was down \$82 million, or 26.7 percent.
- Sales and use, beverage, and tobacco taxes combined grew by \$42 million, or 8.5 percent, for the month of January 2009.

The General Fund is the major operating fund of the state and accounts for all receipts that are not required by law to be deposited into another fund. This report can be found at [www.osc.nc.gov](http://www.osc.nc.gov). Go to "Recent Publications" and click on "General Fund Monthly Financial Report -- January." The OSC website includes General Fund monthly budgetary basis financial information back through June 1998.

*The State Controller is North Carolina's chief fiscal officer. The Office of the State Controller ensures the financial integrity of the State by providing accounting, disbursing, payroll, internal control and financial reporting systems that serve state agencies, employees and the public and maximizing financial return through its statewide cash management plan. The OSC issues numerous financial reports including: Financial Highlights, General Fund Monthly Financial Report, IT Expenditures Report, Statewide Accounts Receivable Report, the State's Comprehensive Annual Financial Report (CAFR) as well as the short, easy-to-read version of the CAFR known as the "popular" report.*